



March 25th, 2019

National Agency of Petroleum, Natural Gas and Biofuels (ANP)

Attn: Comments on Draft Resolution for Individual Decarbonization Targets (RenovaBio)

We, the undersigned organizations representing the U.S. ethanol industry, jointly write to you regarding the draft resolution for individual decarbonization targets under RenovaBio. After reviewing the resolution, we would first like to commend Brazil on designing and implementing such an ambitious renewable fuels policy. We also appreciate the opportunity to collaborate on its development and offer our comments on specific policy mechanisms. The United States and Brazil have built a strong and cooperative trade relationship, specifically as it relates to biofuels, and we would like to continue to see that RenovaBio promotes this free and fair, trading relationship.

Upon review of the formula for calculating Greenhouse gas (GHG) reduction targets, we would like to reinforce our concerns about the baseline carbon scoring for gasoline assigned under RenovaBio, and how it is not in-line with other countries including the United States and the European Union. Current scientific data suggests that gasoline has a life-cycle assessment score of 95 grams per megajoule. Brazil's current score of 87.4 grams/megajoule in RenovaCalc should be updated to reflect this higher score. Additionally, the provisions for reporting proof of compliance in Article 8 are vague. We would appreciate more robust language for what information will be required to demonstrate compliance and the reporting mechanism to ensure transparency of this process.

Nevertheless, we were pleased to see that only 15% of a fuel distributor's excess reductions can be applied to the subsequent year's target. This will prevent fuel distributors from irregular blending of biofuels and promote companies to continually hit their targets instead of relying on reductions from the previous year. We would also like to stress our support for not allowing fuel distributors to fall short of their reduction targets after any fine they might receive for failure to comply with the program. Additionally, the inclusion of unsatisfied CBIOs being added to a distributor's target the next year promotes accountability, is a critical component of any successful biofuel policy, and should be strictly enforced.

As our previous comments on RenovaBio have illustrated, it is imperative that any calculation of GHG emissions of fuel be evidence-based and supported by current science. Any framework that discriminates against specific ethanol refining processes, feedstocks, or production locations should not be implemented. Furthermore, a significant cost burden should not be placed on imported ethanol or domestic fuel distributors that choose to blend imported ethanol into their fuel supply. As such, we are concerned that Article 6, Section V that precludes fossil fuels from the calculation for a fuel distributor's target in the absence of a national biofuels supply will be used in years of limited Brazilian ethanol production as a



means by which to keep imported ethanol out of the market. We would appreciate clarity around this provision and are supportive of language that includes readily-available imports as part of the national biofuels supply.

We understand and support Brazil's desire to set an example for environmental preservation and an eco-friendly transport sector. Brazil has both regional and global status as a leader in biofuels policy and use. As such, we would like to continue to work with you moving forward to ensure that all aspects of the RenovaBio policy are fair and accurate as other nations will seek to emulate it in the years to come. We are appreciative of your diligence in crafting a robust, enforceable policy and we look forward to continuing to collaborate with you on this process.

Thank you for your consideration of our comments.

Respectfully,

A handwritten signature in black ink, appearing to read "Emily Skor".

Tom Sleight
U.S. Grains Council

Emily Skor
Growth Energy

Geoff Cooper
Renewable Fuels Association